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UNITED STATES DEPARTMENT OF AGRICULTURE
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IMPROVING THE SERVICES TO THE LIVESTOCK INDUSTRY ^{1/}

The term livestock industry as used in this paper is meant to include all phases of livestock production, livestock and meat marketing, including meat packing, and the wholesaling and retailing of meats. It should also include such services as warehousing of meat and the transportation of both livestock and meat. This is the livestock industry as a whole.

The term services as used herein includes all the work in the livestock industry including meat packing and distribution. Thus, services to the livestock industry shall include live animal and meat inspection, carcass grading, market news, disease control, as well as the educational programs that carry the results of all research, as well as interpretations of regulatory programs to producers, marketers, processors, and others in the livestock and meat industry.

In this paper we shall be concerned largely with improvements in the extension or educational services to the livestock industry. However, we shall review briefly some of the other major services to the industry as they are now provided in the United States and some possible application in Central and South America.

The Federal Market News Service was created as a neutral agency to obtain information on marketings, movements, prices and price trends on livestock and meats for dissemination to all interested persons. From its beginning nearly forty years ago at eastern wholesale meat centers

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and Chicago, it has gradually been expanded to its present coverage of 35 public livestock markets, six large wholesale meat centers and the national wool trade reported from a central point.

The gradual drifting of the slaughter industry into some of the leading livestock producing areas of the United States, resulted in an increased proportion of all livestock being sold direct from producers to packers. In order to report such transactions, the Market News Service extended its coverage into two such direct marketing areas. Information on country trading in important cattle and sheep range areas in the western part of the United States is assembled in a single report each week.

At present about 150 persons, including the clerical and statistical staff, are employed in Federal Market News work in the United States. This service includes the collection and distribution of information on the number of livestock received at the markets each day, prices being paid by species, grade and weight, and the price trend compared with the previous day. Information is also collected on the supply, demand, and price situation in the wholesale meat and wool trades. This information is disseminated through press associations, newspapers, by direct mail, and on radio and television.

There is considerable demand in the United States for an expansion of the service to include more reports on direct sales, as well as more coverage of local livestock markets and auctions. The development of thousands of local livestock auctions during the past 25 years makes market news coverage both difficult and expensive. We have a number of projects designed to study these needs for additional market news service and to suggest practical methods of effecting increased coverage.

The second service that we shall review is the Federal Meat Grading Service. As developed in the United States this is a voluntary service available to packers, wholesalers, and retailers on a fee basis. It should be pointed out that during World War II and the recent Korean conflict Federal grading was conducted on a compulsory basis pursuant to O.P.A. At present there are about 350 persons grading meat in the United States and another 50 persons employed in a supervisory capacity. Nearly 50 percent of the commercial production of beef, veal, lamb and mutton is Federally graded.

Many firms in the meat packing, wholesaling, and retailing industry use Federally graded meat as a basis for comparing values and for trading in the market places. In addition, some of our larger retailing chain organizations rely on Federally graded meats for developing consumer confidence in their retail meat merchandising program.

Improvements in the grading service would be largely in the area of improved understanding of what are the standards for grades; and what the grade means in terms of variations in cooking techniques for each cut from each grade. Many in the meat industry feel that the increased percentage of the consumers meat dollar being spent for beef is in part a result of increased use of beef grades as a basis for retail selling. Some students of the problem feel that the establishment and use of grades on pork cuts might help the swine industry in the United States recover some of the consumer confidence that has been lost through the sale of pork cuts containing an excessive amount of fat.

A third major service provided the livestock industry is the livestock disease and pest control work. We should also include the quarantine activity under this heading. During 1954, the Federal Government

provided approximately 1,330 man-years on disease control and disease eradication work. The total expenditure of funds on this particular program would amount to somewhat less than one-tenth of 1 percent of the value of the livestock sold by farmers in the United States during the year.

Another service provided the livestock and meat industry is work with packers and stockyards. Financial, weight and price protection is furnished the producers of livestock and poultry at public stockyards, livestock auction yards and poultry markets through enforcement of the Packers and Stockyards Act. This Act is designed to assure producers of livestock the full true market price for their animals. The following measures assist in accomplishing the purpose of the Act: open competitive bidding, accurate weights, correct accountings, adequate marketing facilities, services at reasonable rates, protection against unjust practices, and full bond 1/ protection of their proceeds of sale.

More than 2,200 scales on which livestock and poultry are weighed must be tested and inspected at regular intervals. Bonds are required of about 4,000 agencies selling livestock on a commission basis as well as all dealers buying livestock. Approximately 80 employees are engaged in administering the provision of this Act at 62 terminal stockyards, 271 auction yards, and 8 designated poultry markets. The total cost of this protection totals about 1/100 of 1 percent of the value of all livestock sold.

In the field of livestock and meat research the Federal and State governments combined provide a vast amount of service to the livestock industry. Much of the work in the field of breeding, feeding, and management is done in the State experiment stations and substations. These

1/ Bond - an insurance against losses due to misuse of proceeds of sale.

State experiment stations are doing livestock research under local pasture, roughage, and grain production conditions. The United States Department of Agriculture does provide some coordinating services for this research work. In addition, the Department as well as the State colleges does research in the field of livestock and meat marketing.

Improvements in the research work in the field of livestock are many and varied. One example is in the methods of evaluating hog breeding stock for muscle versus fat. At least one Midwestern State university has recently developed an electronic needle for measuring the depth of back fat on hogs. This might well be a major factor in the improvement of our method of selecting hog breeding stock for meatiness. In the beef industry much attention is being given to the problem of breeding animals that will produce a higher percentage of the more desirable beef cuts; make gains with less feed costs, make better use of pasture in the hot and humid areas in the Gulf Coast area.

In the marketing field, much research is being done to find out what consumers want in their meat supply. Of particular interest to researchers is the problem of getting the livestock and meat marketing system to more accurately reflect in the live animal market, consumer preferences for the various grades of meat.

I should now like to turn to a discussion of the educational services rendered the livestock industry. As indicated earlier this service to the industry involves the application of research results in all fields from breeding to marketing. It also includes the educational work involved in interpreting the regulatory activities of the Federal and State governments as they apply to the livestock and meat industry. This

educational program poses the very real problem of how to transfer facts and skills developed by the research workers in such manner that they can be understood, learned, remembered, and used by farmers, marketing agencies, processors, and retailers.

In the United States last year, county agricultural extension workers devoted a total amount of time equivalent to 1,370 man-years of work with the 4 million livestock producers. We also had approximately 130 persons devoting full time to livestock production and marketing work in the 48 State extension staffs. The combined work of these State and county workers amounts to only 1 person for each 2,500 livestock producers in the United States. It should also be noted that these workers also devote some time to the educational work with market agencies, meat processors, and meat retailers.

During the last 8 years, the United States has also expanded its educational program among consumers. The general objective of the consumer educational program is one of providing consumers with information which will enable them to better utilize their meat dollars in the retail store. More specifically, this educational program among consumers is designed to provide them with information on grades and cuts of meat available, as well as information on seasonal fluctuations in prices and supply.

Production of red meats has expanded at a much greater rate than the population. Thus, where we were consuming at the rate of less than 130 pounds per capita in the 1930's we are now eating well over 150 pounds of red meats. With an ever expanding industrial or urban population the demand for meat has increased. If the livestock industry is going

to provide the meat that is so essential for a vigorous and productive working population, livestock production and meat distribution will need to be expanded and improved at an ever increasing rate.

It should be pointed out that as the slaughter of livestock moves closer to production areas, there is an increased need for market news and meat grading, as well as improved transportation. All of these things facilitate the merchandising or marketing of meats in consuming centers some distance from the point of production, marketing and slaughter.

How do we go about getting improved techniques adopted? A review of the history of the educational program in the United States would indicate that the demonstration technique still holds great promise. Thus, the drenching of the small flock of sheep in Peru on the experimental farm in the mountains had resulted in doubling the wool production, increased lamb numbers, among Indian producers in that area. Indian producers that once prohibited drenching of their sheep are now asking for this service. To see is to believe. Still another example of the demonstration as a means of teaching people is illustrated by the use of meat cutting demonstrations and the use of the cuts from yearling cattle by 32 representative Paraguay families who participated in the demonstration. Here a simple demonstration of beef cutting and beef cooking may have changed the foundation for the beef production and herd management practices in Paraguay.

The educator must find the job that needs to be done, the research that needs application, and then he must provide the industry or individual in the industry with a picture of those needs. We must find some way to make those improvements wanted. Possibly they may be wanted in order to provide a new pair of boots for the producer or a new dress for his wife, the main point, however, being that we must have the "want" for an improvement. The extension job among livestock producers is one of getting

producers to understand the value of better breeding, feeding, better management, and better marketing. We, in the United States have found that the educational worker must have the vision to look a long way ahead for the results. He must have the knowledge to know what is sound in the long run. He must know what is good business, what is practical, he must have the sympathetic understanding of the people with whom he is working. Thus to get results, to get application of research, it would seem essential that we train people who have an understanding of the persons to be taught. It would seem essential that we select from among these producers those who are in a position to teach others. They must be given that training which will enable them to transfer facts and skills developed by our research workers in the livestock industry. The educator must know how to be understood, how to get people to learn, remember, and use facts, if this program is to be effective.

